



Substitute House Bill No. 5128

Public Act No. 08-69

***AN ACT CLARIFYING CERTAIN DEPOSITORY INSTITUTION
DISCLOSURE REQUIREMENTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 42-150u of the 2008 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2008*):

(a) No provision in a written contract for the purchase or lease of goods or services primarily for personal, family or household purposes that provides for the payment of liquidated damages in the event of a breach of the contract shall be enforceable unless (1) the contract contains a statement in boldface type at least twelve points in size immediately following such liquidated damages provision stating "I ACKNOWLEDGE THAT THIS CONTRACT CONTAINS A LIQUIDATED DAMAGES PROVISION", and (2) the person against whom such provision is to be enforced signs such person's name or writes such person's initials next to such statement. Nothing in this section shall validate a clause that is a penalty clause or is otherwise invalid under the law of this state.

(b) The provisions of subsection (a) of this section shall not apply to (1) contracts between a consumer and an agency of the state or any

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political subdivision of the state or of the federal government, (2) negotiable instruments, [and] (3) contract provisions for late fees, prepayment penalties or default interest rates, and (4) contracts originated or held by an institution, or any subsidiary or affiliate of such institution, that is regulated by the Department of Banking or by a federal bank regulatory agency, provided, in the case of a contract originated or held by a subsidiary or affiliate of such institution, the subject matter of the contract is an activity that is financial in nature or incidental to such an activity as described in the Bank Holding Company Act, 12 USC 1843(k)(4).

Approved May 27, 2008